Is Urban Planning "Creeping Socialism"?

RANDAL O'TOOLE

Socialism is commonly defined as government ownership of the means of production. With the exception of a number of services that are viewed as natural monopolies, such as sewer and water supplies, socialism in the form of government ownership has never achieved prominence in the United States. Instead, governments here have relied on regulation as a way of obtaining the same goals that socialists claim to seek: efficiency, equality, and control of externalities. If this approach is socialism, then urban planning has represented creeping socialism since around 1920. But it has recently accelerated and is now running rather than creeping. Moreover, it has such a head start that lovers of freedom may not be able to halt it, much less turn it around.

Urban planning rests on the ideas that urban residents impose numerous externalities on one another and that planning and regulation can minimize such externalities. Despite their claim of scientific expertise, planners often have little idea what they are doing: cities are simply too complex to understand or control. As a result, the history of urban planning is the story of a series of fads, most of which have turned into disasters. Urban renewal and public housing are two obvious examples.

Ironically, the failure of past planning is the premise for the latest planning fad, variously called new urbanism, neotraditionalism, or smart growth. Smart-growth planners see numerous problems in our urban areas, including congestion, air pollution, sprawl, unaffordable housing, disappearing open space, and costly urban services. These problems they blame on past generations of planners who, say smart-growth planners, got it all wrong. The solution, of course, is to give the current

Randal O'Toole is senior economist at the Thoreau Institute.

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generation of planners more power than ever before because this time they claim to have it right.

Smart-Growth Prescriptions

Smart-growth prescriptions include variations on the following themes:

- Metropolitan areas should be denser than they are today. In growing regions this objective is achieved by limiting or forbidding new construction on land outside the urban fringe and instead increasing the density of existing developed areas.
- Transportation should emphasize mass transit, walking, and bicycling instead of automobiles. This strategy means few or no new investments in road capacity, combined with considerable investments in transit, preferably rail transit. Investments in roads are often aimed at reducing their capacity, a concept known as traffic calming.
- Land-use planning should focus on making areas more suitable for transit, walking, and bicycling. A major way of achieving this goal is through transit-oriented developments, meaning high-density, mixed-use developments located near rail stations or along transit corridors.
- Developments also should be pedestrian friendly, meaning (among other things) narrow streets, wide sidewalks, and stores fronting on the sidewalk rather than set back behind a parking lot.

Smart growth received a public boost in January 1999, when it was endorsed by Vice President Al Gore. Metropolitan planning agencies across the nation are considering or adopting these or similar smart-growth policies. The Environmental Protection Agency has threatened to deny transportation dollars and other federal funds to many cities that do not adopt such programs.

Smart growth is attempting to reverse two strong trends of the twentieth century. First is the increasing use of personal motorized transportation. As incomes have risen, people who once walked or rode transit have chosen to purchase and drive automobiles instead. Second, and related to the first, is an increasing demand for personal living space, in the form of both house size and lot size. As autos have made transportation less expensive, people have moved beyond central cities and purchased large lots for their homes.

These trends are most obvious in the United States, but they are not uniquely American. All over the world, as incomes rise, people purchase autos and move to low-density suburbs. In the United States, smart-growth advocates blame these trends on government subsidies such as highway funding and mortgage-loan guarantees. But the same trends are observable in western European countries, where the

subsidies have been directed to transit and high-density residential development while people desiring autos and low-density housing have been penalized.

As early as 1922, the architect Frank Lloyd Wright saw that new technologies were decentralizing cities. "In the days of electrical transmission, the automobile and the telephone," he said, urban concentration "becomes needless congestion—it is a curse" (Fishman 1988, 286). Today Wright would add jet aircraft and the Internet to his list of decentralizing technologies. In the United States, auto driving per capita has steadily increased by 25 to 35 percent per decade, an average of 2 to 3 percent per year, since at least the 1920s. In parallel, people have increasingly moved to low-density areas until today nearly half of all Americans live in the suburbs, and half the remainder live in low-density small towns and rural areas (source citation).

Since the 1950s, urban critics have complained that suburbs are sterile, lifeless, and placeless. John Keats called the suburbs "conceived in error, nurtured by greed, corroding everything they touch" (1956, 7). "Little Boxes," a 1960s song by the Berkeley writer Malvina Reynolds and popularized by Pete Seeger, labeled the suburbs "ticky-tacky." More recently, James Kunstler described the suburbs as "a trashy and preposterous human habitat with no future" (1993, 105) and "the mindless twitchings of a brain-dead culture" (112). These complaints were largely aesthetic in nature and did not stop people from moving to low-density areas.

Since the 1960s, transportation critics have warned that automobiles are destroying cities. A. Q. Mowbry (1969) warned that highway advocates were planning to "blanket the nation with asphalt" (229). Jane Holtz Kay (1997) claims that the auto has diminished "both the quality of mobility and the quality of life" (19). Yet Americans continue to drive more and more.*

Smart growth represents a merger of the anti-suburb and anti-auto movements. To reverse the driving and suburbanization trends, adherents are willing to impose draconian regulations on urban residents. These include minimum density requirements, strict design codes, and limits on parking and transportation.

Minimum Density Requirements

Density requirements are the next logical step in the zoning regulation that American cities began adopting in the years just prior to 1920. Zoning was originally aimed at protecting property values from externalities (Nelson 1977). No one wants to live next to a dirty, smelly factory. For that matter, people in many residential areas resisted commercial developments in their midst, and people in neighborhoods of single-family homes opposed the construction of apartments.

* *Editor's note:* For an argument that noble motives may underlie the great and growing demand for automobile transportation, see Loren Lomasky, "Autonomy and Automobility," *The Independent Review* 2 (Summer 1997): 5–28.

Initially, cities adopted four basic zones: industrial, commercial, multi-family housing, and single-family housing. Early zoning was cumulative, so that any use was allowable in industrial areas; any use but industrial was allowed in commercial areas; and so forth. Eventually, refined zoning categories were developed, such as single-family residential on quarter-acre lots, on half-acre lots, and so on, but the cumulative nature was retained. No one objected if someone built on a half-acre lot in an area zoned for quarter-acre lots. After World War II, zoning became increasingly exclusive among the four basic zones. An industrial zone would have only industry; no commercial construction was allowed. But the subcategories remained cumulative: zoning might specify maximum densities, but not minimum.

In contrast, smart-growth zoning is prescriptive. It is completely exclusive, including both maximum and minimum densities. Moreover, it tends to contain many more design requirements, which will be discussed later. The minimum-density requirement can lead to a rapid transformation of a neighborhood, especially when a neighborhood is rezoned from single-family to multi-family housing. Such rezoning is common in the Portland, Oregon, urbanized area, whose regional government adopted a smart-growth plan several years ago.

The west Portland suburb of Orenco was rezoned to very high densities when a light-rail line was built nearby. Many residents owned large lots or second lots adjacent to their homes. Some planned to build a second home on those lots for their children, for their parents, or simply to sell. But the new zoning rule required instead that they build fourplexes or other multi-family housing. Constructing a single home was not allowed.

In Gresham, at the east end of the Portland light-rail line, a neighborhood of single-family homes was rezoned to multi-family housing. If a house burned down, the zoning code required the owner to rebuild in the form of an apartment. Residents who tried to sell their homes soon found that they couldn't find buyers, because banks would not make loans on houses that couldn't be rebuilt after a fire.

Even if a property owner has no plans to build on a vacant lot and does not expect to sell, transformation of a neighborhood from single-family to multi-family dwellings can be very stressful. Increased numbers of people bring increased congestion. The transient nature of the apartment dwellers can lead to crime or a reduction in property values.

Ironically, zoning was originally justified by a 1926 Supreme Court decision that allowed neighborhoods of single-family homes to use the police power of the state to keep out apartments. In neighborhoods of single-family homes, "apartment houses, which in a different environment would be not only entirely unobjectionable but highly desirable, come very near to being nuisances," said the decision in *Euclid v. Ambler Realty* (272 U.S. 365). Now zoning is being used to impose those same nuisances on such neighborhoods.

Smart-growth zones do allow single-family housing, but usually they require that such homes be placed on small lots. Where typical urban lot sizes are about 5,000 square feet (50 by 100 feet) and suburban lot sizes may be much larger, smart-growth lot sizes may be only 2,500 square feet (50 by 50 feet) or even smaller. Smart growth also encourages row houses, although in Portland planners recently indicated that even row houses aren't dense enough: the planners would rather have apartments and condominiums.

Strict Design Codes

In addition to density requirements, smart-growth zoning codes may contain highly prescriptive design codes. Certain designs, it is alleged, promote the use of the automobile and reduce a neighborhood's sense of community. The new design codes are aimed at encouraging alternatives to the auto and encouraging community feeling. A major target of residential design codes is the house with its garage in front—derisively called a "snout house." Requiring recessed garages and front porches is supposed to encourage people to walk instead of drive.

The design code may also specify tiny front and side yards, severely limiting the space people have to park their cars. For larger developments that build the streets as well as the homes, the codes specify narrow streets and limit parking to one side of the street only. Commercial design codes similarly limit parking. Whereas modern supermarkets and shopping malls usually have large parking lots between the street and the store, smart-growth design codes require that stores front directly on the street. Parking, if it is allowed at all, must be hidden in the back. This arrangement is intended to make it easier for pedestrians to reach the store and possibly to discourage auto traffic.

Besides stipulating density and design, smart-growth zoning may require mixed-use developments. For example, one code proposed in a Portland suburb would require four- to five-story buildings in which the bottom story is devoted to retail and commercial uses and the upper stories to residential. Residents could walk to shopping and perhaps even to work. Ideally, such developments would be located near rail stations or along major bus transit corridors.

Parking and Transportation Limits

Smart growth also attempts to discourage auto driving in other ways. Portland is requiring all major shopping and office centers to reduce available parking by 10 percent. Federal law requires major employers in cities with air pollution problems to find ways to reduce their employees' automobile commuting by 10 percent.

One major function that has been socialized in the United States is the provision of highways and streets. Although many nineteenth-century highways were private toll roads, twentieth-century concerns about monopolies led Americans to build and operate virtually all roads through state and municipal governments. Most road funds

come from user fees, predominantly fuel taxes. Through such user fees, roads largely pay for themselves, but pricing is inefficient: Users pay the same whether they drive on a dirt road or a practically gold-plated interstate freeway; they also pay the same whether they drive at midnight or at rush hour. Better pricing could reduce congestion, but that fact is not an argument against driving.

During most of the twentieth century, transportation engineers controlled road policy and constructed roads where they were needed. But smart-growth planners say that building more roads only encourages more auto traffic. Their goal instead is to discourage driving by reducing road capacities. They call this strategy "traffic calming." It consists of putting barriers in roads to reduce speeds or flow capacities. Presently, a major suburban arterial road might have two lanes in each direction with a continuous center left-turn lane and auxiliary right-turn lanes near each intersection. The left-turn lanes allow traffic access to side streets and businesses' parking lots. The right-turn lanes allow people to slow and turn without delaying nonturning traffic behind them. Traffic calming might turn such an arterial into a boulevard—a four-lane road with grass and trees in the center. Left turns would be limited to specific intersections, and right-turning traffic would delay cars behind it. The result would be a reduction in speeds and road capacities. The city of Portland is spending $2 million per year on traffic calming.

The Effects of Smart Growth

Daniel Chirot (1991) claims that eastern Europeans would have accepted enormous restrictions on their freedom if communism had been economically successful. "Almost everything else could have been tolerated if the essential promise was on its way to fulfillment" (21). Similarly, Portlanders and other urbanites tolerate smart-growth regulations because they have been promised that those regulations will improve the livability of their cities. But will the regulations actually do so?

Livability, like sustainability and community (two other smart-growth promises), is a slippery concept. But a review of the smart-growth literature suggests that livability is supposed to comprise less congestion, cleaner air, affordable housing, lower urban-service costs, preservation of open space, and a stronger sense of community. Given the record of central planning in other applications, it is not surprising that smart growth fails almost all of these tests. All except the last are quantifiable, and the available evidence indicates that smart growth produces exactly the opposite of what it promises.

Congestion

The Sierra Club (1998) and other smart-growth advocates claim that urban sprawl—the pejorative term for low-density suburbanization—increases congestion because people have to drive more miles to get to where they are going. In fact, as University

of Southern California planning professors Peter Gordon and Harry Richardson (1997) point out, "Suburbanization has become the dominant and successful congestion reduction mechanism" (95).

Smart growth's claim to reduce congestion relies on studies indicating that people living in denser areas that are well served by transit drive less. These studies ignore the self-selection process whereby people who want to drive less tend to live in areas where they can get around without cars. But even if the studies were correct, smart growth would still increase congestion. Doubling an area's density will reduce traffic congestion only if the average person living in that area reduces driving by more than 50 percent. But the smart-growth studies indicate that doubling density reduces driving per capita by only 10 to 30 percent. This outcome will significantly increase congestion.

Portland's smart-growth plan calls for increasing the population density by two-thirds, housing far more people in apartments and transit-oriented developments, and building a total of 120 miles of rail transit but few new roads. In 1990, Portlanders used autos for 92 percent of their urban travel and mass transit for less than 2.5 percent (the remainder is walking and bicycling). Planners optimistically project that their plan will increase transit usage to nearly 5 percent, while walking and bicycling will increase from 5 to 7 percent. This result means that auto's share of the travel market will decline to 88 percent—hardly a significant change. This slight decrease in driving per capita will be overwhelmed by the projected 75 percent increase in population. Planners calculate that the plan will triple traffic congestion, greatly slowing travel times in the region.

Although smart-growth advocates use congestion as a bogeyman to attract supporters, it is hard to see that their goal is anything but a significant increase in congestion. Some privately hope that the increased congestion will lead people to drive less, although the data indicate otherwise. But the planners aren't always so private about the congestion issue. Portland's regional transportation plan says that "congestion signals positive urban development" (Metro 1996, Ch. 1, 20). Earl Blumenauer, formerly a Portland city commissioner and currently its representative in Congress, told National Public Radio that congestion "is exciting. It means business for merchants," apparently because frustrated drivers will stop and shop (Inskeep 1997). The Twin Cities Metropolitan Council has declared a twenty-year moratorium on highway construction in the explicit hope that "as traffic congestion builds alternative travel modes will become more attractive"—including the bus system that happens to be run by the same council (Metropolitan Council 1996, 54).

Air Pollution

It is an article of faith among smart-growth advocates that fewer miles of automobile driving will automatically lead to less pollution. But pollution is more compli-

cated than just miles driven. Cars pollute more when they are cold, because catalytic converters don't work until they are warmed up. Engines must work harder and therefore pollute more when they accelerate. Up to about 45 miles per hour for some pollutants and 55 miles per hour for others, cars pollute less at higher speeds. Therefore, a transportation system that results in many short trips at slow speeds in stop-and-go traffic will produce far more pollution than one that results in longer trips in free-flowing traffic averaging 45 miles per hour. Because smart growth is more likely to produce the former conditions, it could significantly degrade air quality. Indeed, Portland planners predict that their plan will lead to a 10 percent increase in smog (Metro 1998).

Table 1 shows that there is a close association between urban densities and air pollution as measured by EPA pollution ratings. The worst pollution is associated with the highest average population densities. The least polluted cities have the lowest densities. The densest urbanized area in the United States, Los Angeles, is also the only city rated as having "extreme" air pollution problems.

Table 1
Average Population Density of Urbanized Areas, by EPA Air Pollution Rating

Pollution Rating	Population Density
Extreme	5,381
Severe	3,027
Serious	2,378
Moderate	2,077
Marginal	1,744
None	1,505

Note: "Urbanized area" is a Census Bureau term that includes the central city of a metropolitan area plus all adjacent land with population density greater than 1,000 people per square mile.

Source: Density (persons per square mile) from U.S. Bureau of the Census 1993; smog ratings from EPA Office of Air Quality and Standards.

Affordable Housing

By building more apartments, condominiums, and homes on tiny lots, smart growth is supposed to result in more affordable housing. But if people don't want to live in those kinds of homes, it doesn't matter how affordable they are. Polls and market data indicate that people prefer homes on relatively large lots (National Association of Home Builders 1999). In most housing markets, the cost of land is a small share of the cost of housing, so the large lots do not make housing unaffordable. But the urban-growth boundaries and other smart-growth density tools create an artificial shortage of land, leading to significant increases in the cost of the type of housing that people want.

The National Association of Home Builders makes quarterly estimates of housing affordability in major urban markets. These estimates are based on the share of households in the market earning enough income to purchase a median-priced home in that market.

When Portland and other Oregon cities drew their urban-growth boundaries in 1979, these areas included an estimated twenty years' supply of vacant land. By 1989, much of that vacant land was still available, and Oregon's urban housing markets were rated among the most affordable in the nation. The vacant land soon became much scarcer, however, and by 1996 Portland-area land prices had sextupled. The Home Builders then rated Portland among the five least affordable housing markets in the nation. By 1998, three of the four Oregon urban areas rated by the Home Builders were among the ten least affordable housing markets, and the fourth was among the twenty least affordable. Oregon cities have grown during the 1990s, to be sure, but so have other cities. Las Vegas, Reno, Boise, and Phoenix are among the many cities that have grown faster than Oregon cities, yet their housing markets are not rated as unaffordable.

To deal with the rising housing costs, the city of Portland has passed an ordinance requiring that any development with more than ten housing units must set aside at least 20 percent of those units for low-income housing. Portland planners estimate that this requirement will result in the construction of about 1,600 low-income units per year. At this rate, it will take more than 65 years to provide housing to all current low-income families. In the meantime, notes the Portland consulting firm Hobson-Johnson, Portland's ordinance will drive up the cost of housing for everyone else—including the low-income people not lucky enough to be immediately housed in a low-income unit.

Urban-Service Costs

Another major smart-growth claim is that low-density suburbanization costs society more than high-density development because of the high cost of extending urban services—sewerage, water supply, roads, and schools—to low-density areas. But the *Costs*

of Sprawl studies that claimed to demonstrate this relationship were all been based on hypothetical data (Real Estate Research Corporation 1974). Research by Dr. Helen Ladd (1992), of Duke University, compared the *actual* costs of urban services in hundreds of U.S. counties. Ladd found that, at population densities above 200 people per square mile (approximately the density of rural Connecticut), increased density led to higher urban service costs.

The *Costs of Sprawl* studies compared the hypothetical costs of a high-density versus a low-density development on vacant land. Very different, however, is the smart-growth plan of redeveloping existing low-density neighborhoods to higher densities. Such redevelopment can be extremely expensive, because it often requires tearing up existing infrastructure to install higher-capacity services. In 1980, San Diego adopted a plan that encouraged infill development of the inner city and discouraged low-density development in the suburbs. By 1990, the city faced a $1 billion infrastructure shortfall as the existing water, sewer, and other infrastructure could not handle the new, higher densities (Calavita 1997).

Urban-service costs are driven even higher by commercially unrealistic smart-growth zoning codes. Most urban areas have sufficient high-density housing to meet demand. Developers are naturally reluctant to build more such housing for a soft market. To make transit-oriented developments feasible, local governments must provide subsidies and tax breaks.

Portland, Oregon, built light-rail lines in the hope that rail transit would stimulate development, particularly high-density development. Ten years after the first light-rail line was completed, Portland city councillor and smart-growth advocate Charles Hales realized that little development was taking place along the rail line. He therefore persuaded the city council to offer ten years of property-tax breaks to developers. At the east end of Portland's light-rail line, the city of Gresham gave a developer $400,000 worth of tax breaks and outright grants to produce a higher-density apartment structure than the developer had originally planned. West of Portland on the light-rail line, the city of Beaverton gave $9 million of tax breaks and infrastructure subsidies to a transit-oriented development called Beaverton Round. The developer has been unable to find tenants and, near bankruptcy, has asked for and received $3.4 million in additional subsidies (Fentress 1999).

Rail transit itself requires huge subsidies. Portland planner John Fregonese says that light rail "is not worth the cost if you're just looking at transit. It's a way to develop your community at higher densities" (Hall 1995). Although originally promoted as less expensive than highways, rail transit projects being considered by more than sixty U.S. cities typically cost around $50 million per mile—enough to build 2.5 miles of four-lane freeway. Rail transit is often advertised as capable of carrying as many people as an eight-lane freeway, but most U.S. light-rail lines today carry fewer people than one lane of a freeway (Cox 1999).